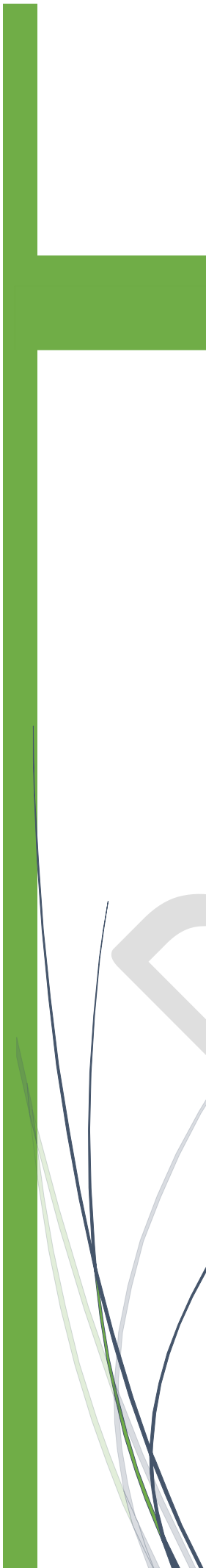




# In House Grounds Maintenance Service Delivery for Hastings Borough Council

**Part B – Service Detail –  
INDICATIVE OPTION**

DRAFT



## Service Detail (Part B)

### Summary

Hastings Borough Council is facing a situation where its finances limit the ability to continue to provide a 'full' Grounds maintenance Service. However, it presents an opportunity to reconsider how it delivers this function. Bringing work in-house offers the flexibility to shape its service over the short, medium and longer term, both 'on the ground' and the type of assets, facilities and operations it delivers and control the amount of expenditure.

It also offers the chance to review the management, and more importantly the costs and extent of management and monitoring.

The proposed solution of in-house delivery, supported by some limited use of contractors (a 'mixed economy' approach), offers the Council the chance to continue, albeit with a reduced maintenance regime, the upkeep of the majority of its assets.

An exercise has been undertaken to analyse costs into the following key 'delivery categories':

- Statutory
- Duty of Care
- Desirable
- Sports
- Cleansing.

The cost of delivering these areas, under a new mixed economy, is shown to enable a clearer understanding of the new operation (see paragraphs B3 and B7, below). This is intended to support HBC in its decision on the level (and type of service) it wishes to provide from November 2023.

The success of a new Hastings Borough Council DSO (HDSO) to deliver within the cost envelope, is also reliant on reviewing and then changing the maintenance regimes and the type and number of some assets on site over the period to November 2023.

There are risks to the Council in delivering a reduced service HDSO especially running with reduced staffing numbers which will require careful and experienced operational management to ensure continuity of service.

WCL believe this proposed delivery model would offer the Council the following functions (some on a more reduced basis than current levels):

- Grave Digging
- Cemetery Management
- A regular 15-day grass cutting cycle across its open spaces
- Limited Shrub and Hedge Maintenance
- Delivery of Sports facility on a reduced maintenance regime
- Maintenance of main parks on a reduced scale
- Full maintenance of all sites and functions the Council has full control over for the purposes of Health and Safety and duty of care.

The Council may also wish to further review opportunities such as:

- Working with 'Third Sector' partners (Voluntary organisations, Charities, Friends Groups, etc.)
- Commercial work
- Partnership with neighbouring Councils, Town Councils and Parish Councils
- Sponsorship

HBC should not underestimate the amount of preparatory work required to have a service in place, this will include (but not be limited to):

- Scheduling of works to meet the new requirements
- Procurement of CapEx equipment, tools and other materials
- TUPE and integration of staff (possible new recruitment)
- Health & Safety and other Statutory requirements (e.g. Risk Assessments)
- Budget and Finance/back-office arrangements (HR/ICT/Insurance etc.)
- Changing of maintenance regimes on site.

## B1 Introduction

This document (Part B) outlines how the Grounds Maintenance Service could be delivered and operated through a HDSO to meet the affordability framework the Council has in place for at least the next two to three financial years.

A redesigned service of in-house resource combined with additional some elements of external provision may allow the Council to deliver a base in-house service whilst the wider challenges the Council is facing are addressed.

This part of our support proposes recommendations to the Council of how this service could look, and the areas of the which will be delivered, under a reduced service scenario.

## B2 Statutory Requirements

Within Parks and Open Space management there are few areas in which the Council has a Statutory requirement to deliver and retain a service. The exception being the following functions:

- Cemeteries
- Allotments

Both these services are regulated by a number of different pieces of legislation rather than a definitive Act of Parliament. However, the Council also provides a number of different facilities and assets which are open to the public to use either on a cost or free to use basis. So, by providing these facilities the Council has a duty of care to those users.

In considering a service which is designed to meet this duty of care, the following areas can be identified as being key:

- General Cemetery Management and Grave Digging including graves maintained in perpetuity
- Play Area Maintenance and Management
- The Management of Vegetation where it effects and has an effect on the general public for example traffic sightlines or shrubbery around residential areas
- Public Health where the management of assets or features, both manmade and natural is required

- Safety of Waterways and Water Courses, both for infrastructure and Public Health.

Consideration should also be given to risk; where the neglect of assets for a sustained period may lead to such a decline, as to leave the asset or facility unsalvageable or uneconomical to return to its previous use. The following may be included in this area:

- Bowling Greens
- Decorative Horticultural features
- Benches and other similar assets.
- Sports Facilities such as Cricket, Putting and Multi Use Games Areas.

Therefore, there is a need to balance the Councils financial restrictions against the long-term management of the Parks and Open Spaces.

WCL has recommended that HBC consider a wider, review of its GM owned assets and consider how they fit with Council's the future strategy (this might result in some being sold, put into shared ownership, etc.) as part of any exercise to create a DSO. This will provide more clarity over work required, sites to be maintained and assets managed and could be carried out as part of Asset Management and Contract Management projects.

### B3 In House Delivery

The following services (which have been costed in B7, below) are shown under each of the key 'delivery categories' along with the benefits and risks factors associated with delivering them through an in-house operation:

Category	Service	Benefits to return in House	Risk Factors
<b>Statutory</b>	Grave Digging and maintenance of Hastings Cemetery	<ul style="list-style-type: none"> <li>• Control of Key Activity such as grave digging</li> <li>• Flexibility in the future maintenance regimes adopted in the Cemetery</li> <li>• Greater economy of scale for combining Grave Digging and Grass Cutting and Other Maintenance as staff already accounted for.</li> <li>• Income is provided to the Council via Grave Digging.</li> <li>• Support from other areas of the service at pinch times</li> </ul>	<ul style="list-style-type: none"> <li>• If externalised two contractors in the same site</li> <li>• Service is statutory so must be provided</li> <li>• Inability to retain or recruit experienced staff</li> <li>• Large areas of grass cutting to be undertaken with a limited core staff.</li> </ul>
<b>Duty Of Care</b>	Maintenance and Inspection of Play Areas	<ul style="list-style-type: none"> <li>• Council has control of operations and can draw on support across the wider service</li> <li>• Rapid response to urgent repairs</li> <li>• Direct control of supply chain therefore no profit on profit</li> <li>• Depending on skill level repairs undertaken in house</li> </ul>	<ul style="list-style-type: none"> <li>• If externalised no local company to provide the service</li> <li>• Staff retention and training</li> </ul>
<b>Desirable</b>	Grass Cutting	<ul style="list-style-type: none"> <li>• Control and flexibility of maintenance regimes, these can</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance and breakdown of kit if the</li> </ul>

		<ul style="list-style-type: none"> <li>be adapted to fit climatic and financial considerations</li> <li>Provides a resource to support other areas of an in-house service</li> <li>Can contract out some areas of work without affecting the wider service</li> </ul>	<ul style="list-style-type: none"> <li>service does not have spare resources or capacity</li> <li>In prevalent growing conditions no additional capacity to provide extra resource</li> </ul>
<b>Sports</b>	<b>Sports Features (if retained)</b>	<ul style="list-style-type: none"> <li>Control and flexibility</li> <li>Provides some income and has potential depending on how the sites are managed for an income offset</li> </ul>	<ul style="list-style-type: none"> <li>Limited contractors in the market to deliver this value of work, therefore ultimately have to deliver in-house.</li> </ul>
<b>Duty Of Care</b>	<b>Maintenance of Waterways</b>	<ul style="list-style-type: none"> <li>Maximises use of Labour during the winter season</li> <li>Availability of resources to cover holiday and sickness</li> <li>Flexibility in the management and use of facilities</li> <li>Council has direct control of operations and no double profit or enhanced payment for out of hours work</li> <li>No double payment of replacement items</li> </ul>	<ul style="list-style-type: none"> <li>Limited contractors to deliver the service if externalised</li> <li>Waterways have a greater risk in all seasons of an incident or accident</li> <li>Value of work means it would not be attractive in the open market.</li> </ul>
<b>Duty Of Care</b>	<b>Maintenance of Assets and Fixtures</b>	<ul style="list-style-type: none"> <li>Maximises use of labour during the winter season</li> <li>Council can dictate the annual maintenance regime and percentage of work undertaken</li> <li>Repairs and Maintenance can be undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>Requires the recruitment and retention of suitably qualified staff</li> </ul>
<b>Desirable</b>	<b>Maintenance of Horticulture and Decorative Features</b>	<ul style="list-style-type: none"> <li>Flexibility and Control of Operations</li> </ul>	<ul style="list-style-type: none"> <li>Work is often undertaken at High Peak Times so puts a demand on potentially limited resources</li> </ul>

Note: **Cleansing** functions have been included in the costing model but excluded from the above table.

## B4 Externalising Some Elements of the Service – the ‘mixed-economy’

While there are benefits to the Council in retaining a number of functions to be delivered in-house, there are some areas where having an external contractor to support the Council would be cost effective.

In previous costing exercises, Officers have identified works which have been delivered as additional to the existing contract or are specialised works. The annual expenditure on extra and over routine works is shown in the Appendix A.

We understand from our discussions with Officers that some of these works are included in the projected/agreed sums for the Contract although they do not appear in the Bill of Quantities sum supplied by HBC. We have made an assumption that additional works, in general, are part of an overall Parks Budget for the Service, not just the maintenance activities.

Other ad-hoc works that are paid to *idverde* as they're carried out such as grave digging will be undertaken by the HDSO team whose costs are paid and therefore, in effect, form part of the 'core' service.

We believe the following areas could be externalised and delivered more economically via a procurement exercise (in, for example, a 2-year contract):

- Large Area Meadow and Informal Grass Cutting such as The Hills and areas within the Country Park
- Some smaller sites where the cost of travelling exceeds the time needed on site
- Specialised Grass Cutting areas where specialised equipment is used
- Work that can be mechanised but where the cost of the Council purchasing and operating the activity is uneconomical.

To establish the cost-benefit of procurement of the above areas, a cost of in-house service for this delivery can be estimated and a procurement exercise undertaken, so a direct comparison and value-for-money assessment made.

The benefits to the Council, at this stage, as it sets up a new internal operation, is that by using some outsourced provision it removes the need to purchase some of the large, expensive equipment items such as a tractor, and associated implements. The need to train at least one staff member to drive and operate it is also removed. It also applies to the use of specialised equipment for one off annual works, for example (but limited to) sports ground or cultivation equipment where the operating time it is actually used (and the time is in storage) means the purchase does not offer good value for money.

In reviewing its assets and sites, HBC may also determine that some could be maintained more economically by smaller contractors with less overhead cost. As stated above, we recommend this exercise is completed ahead of returning services back in-house to allow a 'fresh start' and a focus on key assets and sites.

## **B5 Use of Voluntary Section and other Management Options**

The third element of a true, mixed-economy provision is the involvement of the 'Third' Sector in supporting the wider delivery of services. This can take many forms and we understand the Council has in place a number of arrangements with 'friends groups' and other organisations. This need not be limited to just these arrangements. For example, working alongside sports clubs in undertaking some operations, or even the management of bowling greens being devolved to clubs, where the Council undertaking operations for a paid fee while the clubs manage the greens and take the income may be a more feasible operating model. Ultimately, the provision of leisure facilities means the income never matches the 'real' expenditure in most cases.

## **B6 Delivering to the present costs**

Our earlier work, which included an assessment of the value of a tender under the existing specification standards, estimated (at today's costs) would likely be between 40% and 60% higher than is currently paid.

It is clear figures within this range, given the current financial constraints facing the authority, would be unsustainable and HBC must look at alternative options, including the extent services being delivered future and the means of such delivery.

## **B7 Comparing the Service Costs of Alternative Options**

Removed for Part 1.

## **B8 Risks of Delivering a Reduced Specification Service**

There are several risks associated with delivering a 'reduced' service. The staffing model is the at the minimal level and does not have a great deal of resilience for example in terms of long-term sickness. This reflects the base nature of the service and this level of resource reflected in the output standards and number of maintenance visits.

However, the model does allow, by careful management, dynamic scheduling and resource switching, for the Council to retain the majority of its services. If work was externalised, it is more than likely that a contractor's model would adopt the same principle. The Council's allocation of a contingency sum, which could be used as a "risk pot" may mitigate the major risks and allow for adequate service preparation in delivering a Grounds Service directly which the Council has not done for a number of years.

A full SWOT Analysis is included at Appendix B.

# Appendix A

## Expenditure Outside of Routine Contract Works

(*idverde* works outlined in yellow)

Removed for part 1.

Data provided by HBC. This shows, highlighted in yellow, the expenditure made with *idverde* for extra works paid over and above the main, 'core' contract for routine works.

Note: payments to *idverde* for grave digging are not included in this table.



## Appendix B

### SWOT Analysis for delivering an In-house Service

#### Strengths

- Flexibility in Service Delivery allowing growth and reduction to meet changing financial circumstances
- Direct Control and Management allowing change in policy to be implemented without the need to negotiate with an external body
- Undertaking additional works is less of a cost as the labour is already in place
- Option to expand service numbers as required
- No reliance on external companies
- Works with total delivery or “mixed economy”
- Part of an existing DSO infrastructure

#### Weaknesses

- Lack of experience in managing and delivering GM in-house services
- As a stand-alone operation a lack of back up resource compared to a national contractor
- Staff Conditions of Service mean less productivity due to less working hours, more annual leave and sickness entitlement
- Less staff and equipment, so needs greater management and flexibility in approach
- Is delivering a reduced service than before, so more open to criticism

#### Opportunities

- Income generation via external bodies
- Partnership working with other public sector bodies offsetting cost and generating income stream
- Service delivery to meet the Councils aspirations in climate and environmental management
- Partnership working with Third Sector, community and educational groups etc.
- Synergy, cross over and support with/for other existing DSO operation(s) now and in the future

#### Threats

- Continuing rising costs of fuel, vehicles and supplies may require increased funding or a reduction in service
- Public or political pressure reaction to a reduced service may lead to poor perception of the service
- Downward trends in available labour, both skilled and semi-skilled
- Inability to retain or recruit experienced management